

Memorandum for Doug from Fred

7/26/82

Re: (Massachusetts) Unions

* 1. Regardless of evidence in support of the concept of labor-management teamwork, the image of labor vs. management is deeply rooted in the minds of most labor (aside from a number of innovative labor leaders). In part, this is due to the memory of the bloody, hard-fought struggles with management on the part of labor to win what rights it enjoys now. Labor fears that its voluntary cooperation will win only "the proverbial pat on the head and a buck to go to the movies." It also fears that such cooperation will obviate the very raison d'etre of unions.

2. Nevertheless, unions will eventually have to face certain realities that are bound to entail modifications in present labor-management relations; by combining articulate information on these realities with a sympathetic awareness of (1) above, it is possible to win the support of labor. At present, people such as Kennedy have the lion's share of this support merely by virtue of the sympathetic criterion. For example, Local 1459 of the United Food and Commercial Workers International Union endorses Kennedy and points out the following as examples of Kennedy's excellence:

- ? (i) Labor Law Reform Bill - action against employers who fire employees who want to join a union or who don't bargain in good faith.
- ? (ii) Co-sponsored amendment to Nat'l Labor Relations Act - force employers who take over new businesses to honor collective bargaining contracts.
- ? (iii) 1977 - supported increase in min. wage from \$ 2.65 to 3.30.
- ? (iv) Support Occupational Safety and Health
- No (v) Opposed the elimination of assistance for workers who lose jobs due to increased imports.

3. The Realities

- (i) In 1980, organized labor constituted only 1/5 of the work force. The work force is shifting from the unionized Northeast to the South or overseas.
- (ii) Even workers are beginning to realize that, in part at least, their own jobs depend on productivity.
- (iii) Not only in Japan and Europe, but now in the words of the Pope, workers are seeing an alternative view to that of labor fighting management for every last dollar. "Pope John Paul II, looking beyond international systems, regimes, and ideologies, called for a new attitude of solidarity in world work - 'a new solidarity without frontiers' based on the primacy of human work." (AFL-CIO News, 6/19/82). Furthermore, ILO Director-General Blanchard supports the U.N. strategy for development: increasing the number of jobs, distributing income more fairly, and recognizing that labor-saving tech-

nology is one cause of unemployment. No matter what, one will not be able to win labor without first convincing it of one's humanism. Apparently, labor's humanism is not restricted to mere materialistic selfishness, as evidenced by its call for bilateral reductions in nuclear armaments, its demand for increased economic pressure on Poland, and its traditional self-image as a brotherhood.

(iv) Increasingly, the capital to finance American business is coming from workers' pensions: according to Business Week, in 1982, net new investment in corporate bonds and stocks and commercial mortgages was \$ 54 B, of which \$ 43 B was from pensions. At the end of WW II, assets of pensions equalled \$ 5 B. Now they equal \$ 800 B. By 1995, they will equal \$ 4 T. Furthermore, traditional investors are moving out of long-term investments and into short-term ones, in order to take advantage of tax breaks.

4. The new labor-management teamwork includes: worker ownership, job enrichment, Scanlon Plans, Participatory management, labor-management committees, and profit-sharing and productivity-gain sharing plans. Already in operation between United Steelworkers of America and the major steel producers; Communications Workers of America and ATT; and the UAW and GM at the Cadillac plant in Michigan (workers help choose supervisors, elect some of their own as assistant supervisors, and work in 15-member teams. Pay based on # of tasks they know how to perform within team's job assignment; camaraderie enhanced by having rank-and-file eat with management), and the UAW and Ford at its Kentucky truck plant (workers are familiarized with entire product right from the start, by visiting design HQ, thus avoiding worker alienation.)
5. But American labor will not give up unionism entirely for this kind of cooperation. For one thing, unions are seen as an instrument for protecting minority rights from being swallowed up by an overwhelming "consensus". There is a perception that the "cooperative" Japanese worker is often but a tool. Furthermore, both labor and management have been brought up on the habit of the "quick fix" - layoffs and speedups. They are not used to long-term planning.
6. But since the jobs of labor and the income of management depends upon productivity, and since it is obvious that productivity in turn depends upon new methods, will want to heed some of the suggestions and examples presented here.